

ARTICLE APPEARED  
ON PAGE 1

CHRISTIAN SCIENCE MONITOR  
8 May 1987

# Hearings focus on money trail, Reagan

By Peter Grier

Staff writer of The Christian Science Monitor

Washington

To this point, the most important revelations from congressional hearings on the Iran-contra affair have involved two main themes:

- What President Reagan knew, and when - whether he was aware that funds from United States arms sales to Iran were being diverted to aid antigovernment contra guerrillas in Nicaragua while that diversion was still secret from Congress

and the public.

- Exactly where money from the Iran sales went - and whether those involved in the operation planned from the start to generate excess funds for their own personal profit, or for the contras' use.

The leadoff witness, retired Air Force Maj. Gen. Richard Secord, sat stolid and unflappable through the first two days of hearings. On the third day, however, sharper questioning by Senate chief counsel Arthur Liman changed the atmosphere in the cavernous Senate Caucus Room.

General Secord and Mr. Liman had a number of testy exchanges. At one point, as the Senate counsel bored in on the issue of who Secord felt was entitled to the \$8 million still in the bank from the arms sales, there was a bitter reaction.

"This is crazy," Secord said, adding that he felt the line of questioning was irrelevant and that he had much larger things to worry about, such as possible criminal charges by special prosecutor Lawrence Walsh.

"I've got a special prosecutor over here across the street who's trying to throw us all in jail for performing our duty as we saw it," Secord said.

Evidence from Secord's testimony crediting the President with knowledge of the contra aid diversion was tenuous, based on secondhand reports.

On Thursday, Secord said that Oliver North, the former National Security Council aide, had remarked that he told President Reagan it was ironic that money from Iran was being used to fund the contras.

White House officials have long said that Colonel North was

fond of exaggerating his contacts with President Reagan, and, indeed, Secord says he was not sure of the truth of the remark.

Still, Secord said that this was "not said to me in a way that I took it as a joke."

Secord also listed a series of government officials - including the late William Casey, former director of the Central Intelligence, and former national-security advisers Robert McFarlane and John Poindexter - who had told him in a general way that the President knew of his actions, and approved.

After these remarks, White House spokesmen repeated the assertion that President Reagan knew nothing of the actual diversion of funds until shortly

before it was made public last November.

During the first three days of hearings, the aspect of the Iran-contra affair that has perhaps been the subject of the most illuminating testimony is the money trail - specifically, where the \$30 million paid by Iran for US arms went.

In his first minutes on the stand, Secord said \$12 million of this money went back to the United States Treasury to pay for the arms. Of the remaining funds only \$3.5 million actually went to aid the contras, he added.

Committee counsels have zeroed in on the \$8 million that is still in various Swiss bank accounts. On Thursday, Mr. Liman prodded Secord on whether the

money was for the personal use of himself or his business partner, Albert Hakim.

Secord stuck doggedly to the position that the money was not for him - that the only pay for his work on the Iran deal was a \$6,000 monthly salary from the company he and Mr. Hakim jointly run.

But he also made clear that he felt it was for him to decide how the \$8 million would be used, and that it was not money belonging to the US government.

The cash, he said, was for "the enterprise," his term for the contra resupply operation his company ran.

As for the money still in the bank, "there are many bills outstanding, and these bills are worrisome to me. I don't know how much money is going to be left once they're paid off," he said Thursday.

The Iran end of the Iran-contra affair involved US government officials and was sanctioned by the President.

Yet Secord, a private citizen not officially an employee of any government agency, was heavily involved in the opening to Iran, traveling to Tehran with then-national-security adviser Robert McFarlane bearing a welcoming cake, among other things.

Secord said his involvement as a "commercial cutout" was to help hide the hand of the US government. "There is no question the covert operation was designed to be concealed from Congress," he said. "That was not my decision."